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RUEHOK/AMCONSUL OSAKA KOBE 7366  
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RUEHBJ/AMEMBASSY BEIJING 0294  
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UNCLAS SECTION 01 OF 14 TOKYO 000536

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WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST  
DIVISION; TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS  
OFFICE; SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY  
ADVISOR; CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 02/01/06

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The challenge of supplying enough electricity to Tokyo area

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- (2) Time to reform TSE

Yomiuri:

- (1) Government urged to take measures for asbestos victims, grasp extent of damage
- (2) Spring wage offensive should reflect economic recovery

Nihon Keizai:

- (1) The number of job-offers and job-seekers finally match, but .
- (2) Ruling in Canon case gives priority to protection of intellectual property

Sankei:

- (1) Defense agency must stop amakudari (golden parachute) practice
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- (1) DFAA big-rigging scam may stem from its closed nature
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Prime Minister's schedule, January 31

NIHON KEIZAI (Page 2) (Full)

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February 1, 2006

09:02

Attended a cabinet meeting in the Diet building.

09:31

Arrived at Kantei.

10:40

Met with Assistant Secretary General Seko.

13:02

Attended a Lower House plenary session.

14:03

Returned to Kantei.

16:45

Met with Repetitive of Japan for Japan-North Korea Normalization Talks Haraguchi, Ambassador in Charge of North Korea's Nuclear Issue Yamamoto, Asian and Oceanian Affairs Bureau Director General Sasae and others.

17:30

Met with State Minister in Charge of Economic and Fiscal Policy Yosano.

18:05

Met with incoming and outgoing Board of Audit Director General Otsuka and Morishita, and inspector Fushiya and others.

18:39

Returned to his residence.

4-1) Government, ruling camp desperate to minimize impact of bid-rigging scandal involving DFAA; Unfavorable impact on plan to upgrade JDA to ministry status

YOMIURI (Page 4) (Excerpts)

February 1, 2006

The government and the ruling coalition are desperate to minimize the impact of the bid-rigging scandal involving the Defense Facilities Administration Agency (DFAA). They are highlighting their active stance toward revising the law for the prevention of bureaucrat-initiated collusive bidding, reforming the DFAA, and taking preventive measures against a recurrence, behind which is their desire to avoid a scandal involving the question of the responsibility of Defense Agency (JDA) Director-General Nukaga and other officials. Nonetheless, the scandal is beginning to have a harmful effect on the issue of upgrading the JDA to ministry status against the backdrop of a growing sense of distrust of the JDA.

## Nightmare

Meeting the press late yesterday, Prime Minister Koizumi said of the bid-rigging scandal, "We must take even stricter preventive measures."

JDA Director-General Nukaga also said yesterday, "This scandal has demonstrated that my approach toward the 1998 incident

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involving the former JDA Procurement Department (for which Nukaga resigned from the post of JDA director-general to take responsibility) was a failure." He then unleashed his anger on administrative officials in the JDA and the DFAA. After the scandal, the Procurement Department was split in two, resulting in the Contract Department and the Cost Accounting Office in the Management Bureau of the JDA. But according to a bill to revise the JDA Establishment Law that was supposed to be submitted to the ongoing Diet session, these two offices will be consolidated to become a new office, the Equipment Department.

The government and the ruling camp are hurriedly discussing preventive measures to avoid a rehash of the nightmare.

Following Nukaga's firm instructions, the JDA yesterday launched a council to discuss preventive measures against bid-rigging and an investigative committee on the DFAA.

The ruling parties, as well, held a meeting yesterday evening of their working team, chaired by former Foreign Minister Nobutaka Machimura, to discuss revisions to the law to prevent bureaucrat-initiated bid-rigging. The team decided to compile a bill to revise the law in February and aim to get it approved during the current Diet session. The Liberal Democratic Party's (LDP) Research Council on the Anti-Trust Law, chaired by former Justice Minister Okiharu Yasuoka, also set up a working team to draft such bills.

## Dark clouds

The recent scandal seems likely to have an adverse effect on plans to upgrade the JDA to ministry status, a long-cherished desire of the agency.

The New Komeito in a plenary session yesterday of its Policy Research Council intended to approve a bill to revise the JDA Establishment Law but postponed approval. According to a party official, "It was the day after the arrest of senior JDA officials, so we'd like to discuss it in a cautious manner."

4-2) New Komeito not to approve bill to amend Defense Agency Establishment Law

MAINICHI (Page 5) (Full)  
February 1, 2006

In the wake of the revelation of a bid-rigging scandal involving the Defense Facilities Administration Agency (DFAA), New Komeito at its Policy Research Council plenary meeting yesterday cancelled its plan to approve a bill to amend the Defense Agency Establishment Law. The bill is designed to reform the agency's defense equipment procurement system to increase its efficiency. The party on Jan. 30 approved the government's plan to present the bill to the Diet in the current session.

5) Bid-rigging: Move to dismantle DFAA likely to accelerate; Government, ruling camp sounding out possible integration into Defense Agency

ASAHI (Page 3) (Excerpts)  
February 1, 2006

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Following the revelation of bid-rigging over a project sponsored by the Defense Facilities Administrative Agency (DFAA), a move to dismantle the agency and integrate it into the Defense Agency will likely pick up in the government and the ruling camp. The opposition camp is geared up to pursue the responsibility of Defense Agency Director-General Nukaga. But Nukaga has floated the idea of dismantling the DFAA, taking advantage of the incident. He aims to refute the criticism by pushing forward the idea of taking a second look at the organization.

In 1998, when Nukaga for the first time became a cabinet minister as defense agency director-general, a breach of trust incident occurred at the Central Procurement Office. Nukaga stepped down, as the opposition parties, including the New Komeito, passed a motion censuring him. The background of the incident this time is similar to that one in the sense that companies that hired retired DFAA officials were involved.

During a taping of the "Newstar" program on Asahi's satellite channel, Democratic Party of Japan (DPJ) Secretary General Hatoyama yesterday said: "Mr. Nukaga once quit over bid-rigging involving the Central Procurement Office. When he returned, a similar incident has occurred at the DFAA. Their proclivity has not changed at all. This is a major problem concerning Director-General Nukaga's responsibility."

In response, Nukaga yesterday told reporters that he had no intention of stepping down. He stated: "My responsibility is to shed light on problems that have caused the scandal and to give a fresh life to the Defense Agency even with the determination to disband the DFAA."

In the Liberal Democratic Party, Toranosuke Katayama, secretary general of LDP members in the House of Councillors, yesterday told a news conference: "We should take into consideration such options as taking a second look at the DFAA with its possible dismantlement in mind, and we should also consider the possibility of integrating the organization (into the JDA) or turning it into a totally different entity."

New Komeito deputy head Shozo Kusakawa proposed integrating the DFAA (with the JDA) at a plenary session of the Upper House on Jan. 25.

6) Maehara urges New Komeito to pursue Nukaga's responsibility

MAINICHI (Page 5) (Full)  
February 1, 2006

In a press conference yesterday, Democratic Party of Japan President Seiji Maehara touched on the fact that in 1998 New Komeito supported a censure motion against then and current Defense Agency Director-General Fukushima Nukaga in connection with a bid-rigging scandal involving the Defense Facilities Administration Agency and the now defunct Central Procurement Office. Citing the incident, the opposition leader urged New Komeito to pursue the responsibility of defense chief Nukaga once again, saying, "I believe the party's perception on such an issue has not changed."

7) Japan to pull GSDF troops out of Iraq beginning in mid-March

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YOMIURI (Page 4) (Full)  
February 1, 2006

Japan plans to begin withdrawing Ground Self-Defense Force troops, currently deployed in the southern Iraqi city of Samawah, and complete the pullout in May. The government is coordinating with the United States, Britain, and Australia on the pullout plan. It will study specific arrangements to recall the GSDF troops.

On Jan. 23, Japan, the United States, Britain, and Australia held

a working-level meeting of diplomatic and defense officials in London. In that meeting, Britain revealed a plan to start its troop withdrawal in March from the province of al-Muthanna, which includes Samawah. Iraq announced the outcome of its recent national election on Jan. 20 and is expected to establish a permanent government in February. Britain's planned pullout of troops is based on this outlook. The government has also confirmed that the Samawah-based GSDF contingent would pull out at the same time with the British and Australian troops. The government will finalize the pullout plan after Iraq's establishment of a full-fledged government.

The US government has basically agreed on Japan's planned pullout of those Samawah-based GSDF troops. At the same time, the US government has informally asked Japan to send personnel to a provincial reconstruction team (PRT), which, consisting of US and other foreign military personnel, is intended to help Iraqi local governments improve their governance and security capability. In addition, US Defense Secretary Rumsfeld met with Defense Agency Director-General Nukaga in mid-January and proposed having the GSDF train Iraqi security troops. However, Nukaga rejected the proposal, saying it would be legally difficult to do so.

The government will continue the Air Self-Defense Force's airlift mission for multinational force members after the GSDF's withdrawal from Iraq in order to obtain the US government's understanding.

8) Cabinet ministerial conference stepped up from 6 to 11 ministers on US military realignment

YOMIURI (Page 4) (Full)  
February 1, 2006

The government yesterday held a second cabinet ministerial meeting on the realignment of US forces in Japan. The number of attending ministers was increased from 6 to 11. In the meeting, the government confirmed its course of action to address various issues from broader perspectives, involving all ministries and agencies for fiscal burden sharing, base land reutilization, and local economic development. The first meeting took place on Nov. 15 last year, involving six cabinet ministers: the chief cabinet secretary, the state minister for Okinawa, the Defense Agency

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director-general, the internal affairs and communications minister, the foreign minister, and the finance minister. This time, there were five more ministers: the land, infrastructure, and transport minister; the economy, trade, and industry minister; the health, labor, and welfare minister; the agriculture minister; and the education, culture, sports, science and technology minister.

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9) No change in US air tanker redeployment to Kanoya: Nukaga

YOMIURI (Page 4) (Full)  
February 1, 2006

Japan has proposed redeploying 12 US KC-130 aerial refueling planes from the US Marine Corps' Futenma Air Station to the Maritime Self-Defense Force's Kanoya base in Kagoshima Prefecture along with the planned realignment of US forces in Japan. Meanwhile, the US government has proposed redeploying the air tankers to the US Marine Corps' Iwakuni Air Station in Yamaguchi Prefecture. On this issue, Defense Agency Director-General Nukaga told a news conference yesterday that Japan and the United States have been holding negotiations on their redeployment to the Kanoya area as the starting point. "I'm not considering (any change)," Nukaga said. Nukaga also revealed that the Japanese and US governments would hold senior-working-level consultations in Tokyo in mid-February on US military realignment.

In this connection, Tarumi Mayor Junichi Mizusako and other local officials from municipalities around the Kanoya base visited the

Defense Agency yesterday and expressed their opposition to Nukaga again.

10) Japan, US making arrangements for partial return of Camp Zama, Sagami Depot to Japan

NIHON KEIZAI (Page 2) (Full)  
February 1, 2006

Japan and the US have engaged in discussing a plan for a partial return of Camp Zama in Kanagawa Prefecture and Sagami Depot to Japan, according to informed sources yesterday. The details of the plan will be discussed when foreign and defense deputy director generals from the two countries meet in early February.

Camp Zama will house the new headquarters that will be formed by reorganizing the US Army I Corp headquarters in Washington. Keeping this plan in mind, Kanagawa Prefecture and other relevant local governments have been calling on the central government to take some measures to lighten their burden. As measures to expand the scale of parts to be returned to Japan, the government will give up the proposed deployment of a Ground Self-Defense Force (GSDF) unit at Sagami Depot.

The government held a meeting of relevant cabinet ministers, in which the participants confirmed the need to accelerate coordination work with the local communities involved in the plan so that Japan and the US will be able to come up with a final report in March as they plan.

Defense Agency Director General Fukushima Nukaga met with representatives from the local communities near SDF Kanoya Base in Kagoshima Prefecture, which has been designated as the relocation destination for air-fueling planes now deployed at the US Marine Corps Futenma Air Station in Ginowan City, Okinawa. The Marine Corps has been calling on Japan to transfer the Futenma functions to US Marine Corps Air Station Iwakuni, Yamaguchi Prefecture, but the government has indicated its decision of not altering the relocation plan involving the Kanoya base.

11) Planned local referendum in Iwakuni may turn into stumbling

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block to deadline for final agreement; US calling for transfer of refueling aircraft

ASAHI (Page 4) (Full)  
February 1, 2006

By Akihisa Tsugawa

Iwakuni City hosting the US Marine Corps Air Station (MCAS) Iwakuni, located in Yamaguchi Prefecture, has decided to hold a referendum on the planned transfer of a US carrier-based aircraft unit to Iwakuni. This transfer is part of the US military transformation. The government aims to reach an agreement by the end of March for a final report by stepping up its effort starting this month to persuade local municipalities in order to obtain their approval of the planned transfer, but attaining this goal may be difficult. In addition to this transfer plan, the US in the talks with Japan has called for the transfer of refueling aircraft to the Iwakuni base.

The referendum is expected to occur in mid-March. If opposition to the transfer plan reached a majority, Japan would have difficulty in reaching an agreement on the final report in March. Speaking of this referendum at a press conference yesterday, Chief Cabinet Secretary Abe remarked, "The matter depends on Iwakuni City's judgment. It's not appropriate for the central government to make a comment on it." On the other hand, Abe emphasized: "It would be impossible to proceed with the realignment of US forces in Japan without the understanding of the public, including base-hosting municipalities."

On the KC-130 aircraft based at the US Futenma Air Station in Ginowan City, Okinawa, the interim report specified that the

transfer of the aircraft to the Maritime Self-Defense Force (MSDF) Kanoya Air Base in Kagoshima Prefecture is high on agenda for discussion. In the talks with Japan late January, however, the US called for the transfer of that aircraft to the Iwakuni base. A senior Defense Agency (JDA) official explained: "The US is considering the transfer of families together. Kanoya does not have enough space to build family housing, so they think it better to do so in Iwakuni."

Japan has turned down this US call, noting it cannot accept any request that goes against the interim report. But if the transfer issue were compounded, no doubt opposition to it would grow stronger in Iwakuni City.

The outcome of the local referendum is likely to affect the Iwakuni mayoral election slated in April or so. Incumbent Mayor Katsusuke Ihara has insisted that the transfer plan should be called off. Meanwhile, a newcomer who takes a cautious stance about the transfer plan but is looking for ways to hold talks with the central and prefectural governments has declared he would run in the election.

12) Hard-line Iran at a crossroads with agreement to send nuclear issue to UNSC; Chief Cabinet Secretary Abe lauds move

MAINICHI (Page 2) (Excerpts)  
February 1, 2006

Six members of the UN Security Council, including Germany, on

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Jan. 30 agreed that the Iran nuclear issue should be entrusted to the Council for further action. With this move, the "ball is in Iran's court," according to a diplomatic source, as to whether it will continue its tough line and continue activities related to the enrichment of uranium or whether it will switch to a flexible policy line, accepting Russia's proposal on uranium enrichment that the US and Europe support.

Chief Cabinet Secretary Shinzo Abe on Jan. 31 at a press conference expressed his approval of the decision to entrust the nuclear issue to the Security Council: "I evaluate it positively for it sends a clear message to Iran."

13) "Japan will cooperate" with entrusting UNSC with Iran's nuclear development issue, Prime Minister Koizumi says

ASAHI (Page 4) (Full)  
February 1, 2006

Prime Minister Koizumi yesterday commented on the agreement reached between the permanent members of the United Nations Security Council (UNSC) and six nations including Germany to entrust the Iran nuclear development issue to the UNSC: "I think it necessary for Iran to address the nuclear suspicions with sincerity. This is a matter of serious concern for the rest of the world. Japan, too, has to cooperate." Koizumi was replying to reporters at his official residence.

Chief Cabinet Secretary Abe also told reporters: "Japan's position is that Iran ought to faithfully implement all the requests from the International Atomic Energy Agency."

14) China not a threat: gov't

YOMIURI (Page 2) (Full)  
February 1, 2006

The government yesterday held a cabinet meeting and adopted a parliamentary statement paper taking the position that Japan does not recognize China as a threat. Foreign Minister Aso and some other government officials have made remarks regarding China as a threat. The government has confirmed its view as ever. The statement was prepared as an answer to a question from Kantoku Teruya, a House of Representatives member with the opposition Social Democratic Party (SDP or Shaminto).



In the position statement, the government defines the word "threat" as "what is actualized with aggressive capability and intent combined." Japan and China have confirmed in their joint communique of 1972 and also in their peace and friendship treaty of 1978 that the two countries will resolve all disputes through peaceful means and that the two countries will not resort to armed force and will not rattle sabers against each other. The government therefore showed its view, saying the government does not think China has intent to invade Japan.

In addition, the government's statement paper also points to the fact that China's defense spending has shown a two-digit increase for 17 consecutive years, saying: "It's important that China improves its clarity in the military area."

15) China remains opposed to Japan's UNSC reform proposal

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SANKEI (Page 7) (Excerpts)  
February 1, 2006

Chinese Ambassador to the UN Wang Guangya on Jan. 30 took a negative view toward a new resolution that the Japanese government is proposing to reform the UN Security Council (UNSC). He noted: "We do not think that the Japanese proposal can garner support from many members." Based on talks with the US, Japan has just started briefing to concerned countries the outline of its new proposal featuring an expansion of UNSC membership by six. However, the US is still at the stage of listening to what Japan has to say, as one US diplomatic source said. The US has yet to express any positive support for the Japanese proposal. Such being the circumstances, the UNSC reform proposal presented by Japan will likely encounter complications.

The Japanese government delegation to the UN on Jan. 27 explained the basic idea of its new resolution draft to India, Brazil and Germany, with which it is working in concert in order to gain seats on the UNSC. During the meeting, the Japanese side reportedly touched on the current position of the UN, which is neither supporting nor denying the Japanese proposal, as a UN diplomatic source put it.

The basic plan features: (1) an increase in UNSC membership by six, combining new permanent members and associate permanent members, whose tenure is longer than that of nonpermanent members by two years and which can be elected successively; (2) an arrangement in which countries that ran for a new permanent membership, those that obtained support from more than two-thirds (128 countries) of the UN members in a ballot at the General Assembly would gain permanent membership and those that obtained many votes but failed to meet the two-thirds requirement would be made associate permanent members; and (3) dividing the increased six seats, with two given to Asia and Africa respectively and one each to Latin America and Europe, and a veto right not given to newly elected permanent members.

16) Japan-North Korea talks start on Feb. 4: Japan to request North Korea to continue freeze in missile launches, bring up abduction of Thai woman

YOMIURI (Page 1) (Excerpt)  
February 1, 2006

The government yesterday firmed up the position it will take in talks between Japan and North Korea that start on Feb. 4. On security affairs issues, which are first on the agenda, Japan will ask the North to 1) disclose information on its ballistic missile development and deployment program; 2) continue the moratorium on test missile launches; and 3) quickly return to the six-party talks centered on the North's nuclear programs.

On the abduction issue, Japan in addition to asking that the cases of Japanese abductees be truthfully cleared up, will bring up the issue of the abduction of a Thai national. The talks this

time will carry out parallel sessions on three themes for the first time: 1) abductions; 2) normalization of relations including a settlement of past issues; and 3) nuclear and missile security issues.

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17) Japan, US, Britain, other countries to offer 2.5 billion dollars in aid to Afghanistan

YOMIURI (Page 7) (Full)  
February 1, 2006

Keiko Iizuka, London

A two-day international conference to determine the framework of five-year reconstruction assistance for Afghanistan started on Jan. 31 in London. The conference attended by about 70 countries and international organizations, including the United States and United Nations, is expected to come up with an agreement to help Afghanistan stabilize public order and restore the economy. Japan, the US, Britain and other countries announced yesterday that they would extend approximately 2.5 billion dollars (about 290 billion yen) in aid to Afghanistan. Of the 2.5 billion dollars, the three countries will offer 1.1 billion dollars (about 129 billion yen) in 2006. Britain, the conference host country, announced that it would provide a total of 500 million pounds (about 104 billion yen) over three years, and Japan said that it would offer 450 million dollars (about 53 billion yen) over three years.

Afghan President Hamid Karzai, in a speech delivered at the conference, underscored: "Terrorism and drug dealing remain the largest threats to our country. In an attempt to fight these threats, we need 4 billion dollars (about 468 billion yen) annually."

18) Aso's comment draws fire from within ruling bloc

MAINICHI (Page 5) (Excerpts)  
February 1, 2006

Foreign Minister Taro Aso's comment that it would be best for the Emperor to visit Yasukuni Shrine has created a sensation. In a press conference yesterday, Aso explained his intention, saying, "I simply intended to present a question about how we should offer our gratitude and respect to those who gave their lives for the nation." He stopped short of mentioning specific ways for a visit to the shrine by the Emperor. Given Japan's diplomatic challenge to improve relations with China and South Korea, Aso's remarks have drawn fire from within the ruling camp.

Emperor Showa visited Yasukuni Shrine in November 1975 (prior to the enshrinement of Class A war criminals), which became the last shrine visit by the emperor. In August that year, Prime Minister Takeo Miki paid homage at the shrine in his private capacity for the first time. In the press conference yesterday, Aso reiterated his view that an argument on whether the Emperor should visit Yasukuni Shrine in his official or private capacity has forced him to stop visiting there.

But in June 2005, the government released a statement saying that (Emperor Showa had visited the shrine) in his private capacity. Chief Cabinet Secretary Shinzo Abe also reiterated the same view on Jan. 30. According to this view, it was not the official or private capacity argument but other factor that prompted the Emperor to discontinue visiting the shrine.

19) Aso: I will make judgments appropriately as foreign minister

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MAINICHI (Page 5) (Full)  
February 1, 2006

Appearing on TV Asahi's nightly news show yesterday, Foreign Minister Taro Aso indicated regarding his controversial Yasukuni Shrine comment that he would judge matters carefully as the country's top diplomat. He said, "Although there are some differences in my feelings as foreign minister and a private citizen, I will make judgments appropriately." Shortly after his assumption of office last October, Aso said, "Personal beliefs and state beliefs do not necessarily coincide." He apparently tried to present a more cautious stance.

20) Minshuto controlling pace of Diet debate in pursuing government, ruling coalition on four issues at early stage of regular session

TOKYO SHIMBUN (Page 2) (Full)  
February 1, 2006

The House of Representatives passed the fiscal 2005 extra budget on Jan. 31 one day behind the schedule set by the ruling parties. The delay was because the government was busy answering questions by the main opposition party Minshuto (Democratic Party of Japan) on the US beef import issue. Minshuto has seized control of the pace of deliberations at an early stage of the ongoing session of the Diet.

"Since the passage of the extra budget was delayed one day, the (start of deliberations on a fiscal 2006 budget) will be delayed at least three days. We made a significant achievement in the early Diet stage." Minshuto Diet Affairs Committee Chairman Yoshihiko Noda categorically noted this achievement in a meeting yesterday of his party's Lower House members.

The largest opposition party made the ruling coalition accept its request for three days be spent on deliberating the fiscal 2005 supplemental budget, a day longer than time spent in last year's regular Diet session. Of the total of 16 hours of the debate, Minshuto and other opposition parties took 11 hours for their questions, while the ruling camp had five hours for its questions and answers. Minshuto spent much time on Jan. 30 grilling Agriculture, Forestry and Fisheries Minister Shoichi Nakagawa.

Before the regular Diet session convened, the ruling coalition asked Minshuto to cut the time for questions since the opposition lost seats in last year's House of Representative election. Minshuto, however, turned down each request from the ruling bloc,

Minshuto President Seiji Maehara wore an expression of relief, saying, "I should say that negative aspects of the Koizumi reform drive have were brought to light rather than stressing Minshuto's initiative. The (government and ruling parties) are digging their own graves." The opposition has now obtained a set of four issues -- means of attacking the government and ruling bloc -- the US beef import issue, earthquake-proof date falsification scam, Livedoor scandal, and bid-rigging by senior defense officials. Therefore, the opposition is now enthusiastic about continuing to pursue the government and ruling camp.

21) LDP Upper House irritated at standstill in Lower House session

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TOKYO SHIMBUN (Page 2) (Full)  
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In a liaison meeting of the party executives yesterday, Liberal Democratic Party (LDP) Diet Affairs Committee Chairman Hiroyuki Hosoda apologized for the Diet having stalled over remarks by Agriculture, Forestry and Fisheries Minister Shoichi Nakagawa on the resumption of US beef imports. Many LDP members in the House of Councillors are unhappy with the inefficient handling of Diet affairs by the leadership of the party's Lower House members.

The Upper House was scheduled to launch on Jan. 31 deliberations on a fiscal 2005 supplementary budget, but the deliberations were delayed one day due to a standstill at the Lower House. Seeing

the scene of the Lower House Budget Committee on the night of Jan. 30 when the session was interrupted many times, a senior member of the LDP Upper House Diet Affairs Committee appeared to be irritated at the party's handling of Diet affairs, saying, "That's ridiculous, They lost one day set for debate."

Many in the LDP have pointed out Hosoda's lack of experiences on the handling of Diet affairs. While the session was interrupted, another senior Upper House member reportedly told Hosoda, "I want you to do your job as chairman better."

The current regular session just started. One senior LDP Upper House member said, "Mr. Hosoda is a good person, but " LDP Upper House members are concerned that the opposition would take the initiative in deliberations at the Lower House.

## 22) Extra budget bill passes Lower House

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The supplementary budget bill for fiscal 2005 was adopted at a plenary session of the House of Representatives and was sent to the House of Councillors yesterday. The ruling parties will start deliberations on the bill at the Upper House Budget Committee today and plan to have it passed at the Upper House plenary session on Feb. 3. Deliberations on the fiscal 2006 budget bill at the Lower House are expected to start on Feb. 6.

The extra budget includes 4,521.9 billion yen to finance measures to be taken for those suffering from asbestos-related diseases and to deal with the faulty architectural standards issue. Takeo Hiranuma and other 11 former Liberal Democratic Party but now independent lawmakers also supported the bill.

The plenary session yesterday also adopted the bill to help sufferers from asbestos-induced diseases and the bill to compensate leprosy patients in countries that used to be under Japan's occupation, including South Korea and Taiwan.

## 23) Discovery of SRM in US beef shipment: State Minister for Food Safety Matsuda asks Food Safety Commission to deal with incident

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Concerning the discovery of spinal columns, where specified risk

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materials (SRM) for BSE tend to accumulate, in a US beef shipment, State Minister for Food Safety Iwao Matsuda yesterday asked the Food Safety Commission (FSC) (chaired by Masaaki Terada) to urge the Ministry of Agriculture, Forestry, and Fisheries (MAFF) and the Ministry of Health, Labor, and Welfare (MHLW) to investigate into the cause of the incident and take measures to prevent a recurrence, as well as to grasp the situation.

Terada noted: "We must make efforts so that there will be no gap between the FSC and MAFF and the MHLW. We also make further efforts to address the people's concern about the risks of eating beef."

SCHIEFFER